

FARM BUSINESS MANAGEMENT

BENCHMARKS

FOR

SUCCESS

GUIDELINES AND RESOURCE MATERIAL
FOR EDUCATIONAL MEETINGS

By

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Wealth and Credit:
A Descriptive Analysis of
Farm Household Balance Sheets

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S I Z E O F B U S I N E S S

R A T E S O F P R O D U C T I O N

L A B O R E F F I C I E N C Y

C A P I T A L E F F I C I E N C Y

C O S T C O N T R O L

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DISTRIBUTION OF LABOR AND MANAGEMENT INCOME

INCOME PER OPERATOR	F A R M S	
	NUMBER	PERCENT
MINUS	72	12
\$ 0 - 9,999	105	17
10,000 - 19,999	137	22
20,000 - 29,999	108	18
30,000 - 39,999	75	13
40,000 - 49,999	53	9
50,000 - 59,999	26	4
60,000 or more	<u>34</u>	<u>5</u>
TOTAL	610	100

S I Z E

COWS PER FARM VS. L + M INCOME

COWS	LABOR + MANAGEMENT INCOME PER OPERATOR
UNDER 40	\$11,635
40 - 54	15,000
55 - 69	19,000
70 - 84	23,000
85 - 99	19,000
100 - 114	24,000
115 - 129	35,000
130 - 149	24,000
150 - 179	40,000
180 - 199	53,000
200 or more	65,000

RATES OF PRODUCTION

MILK SOLD PER COW VS. L + M INCOME

POUNDS SOLD PER COW	LABOR + MANAGEMENT INCOME PER OPERATOR
UNDER 10,000	\$ 1,000
10,000 - 10,999	9,000
11,000 - 11,999	12,000
12,000 - 12,999	14,000
13,000 - 13,999	18,000
14,000 - 14,999	28,000
15,000 - 15,999	27,000
16,000 or more	30,000

LABOR EFFICIENCY

MILK SOLD PER MAN VS. L + M INCOME

POUNDS SOLD PER MAN	LABOR + MANAGEMENT INCOME PER OPERATOR
UNDER 250,000	\$ 5,000
250,000 - 299,999	12,000
300,000 - 349,999	16,000
350,000 - 399,999	18,000
400,000 - 449,999	20,000
450,000 - 499,999	27,000
500,000 - 599,999	40,000
600,000 or more	49,000

CAPITAL EFFICIENCY

CAPITAL TURNOVER VS. L + M INCOME

CAPITAL TURNOVER (YEARS)	LABOR + MANAGEMENT INCOME PER OPERATOR
LESS THAN 1.5	\$ 46,000
1.5 - 1.99	35,000
2.0 - 2.49	24,000
2.5 - 2.99	15,000
3.0 - 3.49	8,000
3.5 or more	-5,000

S I Z E B E N C H M A R K S

MINIMUM

WORK FOR TWO PEOPLE

INCOME FOR TWO FAMILIES

UTILIZE ONE SET OF EQUIPMENT

MAXIMUM

UTILIZE MANAGEMENT ABILITY

RATES OF PRODUCTION BENCHMARKS

CROPS

CORN	125 bu.
SOY BEAN	42 bu.
WHEAT	65 bu.
CORN SILAGE	20 t.
ALFALFA HAY	5.5 t.
MIXED HAY	4.0 t.

LIVESTOCK

DAIRY	15,000 lbs.
SWINE	8 pig weaned 2 litters/sow
BEEF COW	500 lb. calf/cow
SHEEP	1.5 lambs/ewe
POULTRY	225 eggs/hen

LABOR EFFICIENCY BENCHMARKS

CROPS

CORN	75,000 bu. / man
SOYBEANS	30,000 bu. / man
WHEAT	60,000 bu. / man

LIVESTOCK

DAIRY	500,000 lbs. / man
SWINE	400,000 lbs. / man
BEEF COW	350,000 lbs. / man
FED CATTLE	900,000 lbs. / man

RETURN ON INVESTMENT IN FARMING

ILLINOIS 1976 - 1979

	<u>%</u>
ALL FARMS	4.9
GRAIN FARMS	5.1
HOG FARMS	4.8
DAIRY FARMS	5.7
BEEF FARMS	3.1

C O S T B E N C H M A R K S

C R O P S

CORN	\$ 2.60 per bu.
SOY BEANS	6.10 per bu.
WHEAT	4.20 per bu.

L I V E S T O C K

DAIRY	\$ 9.75 per cwt.
PORK	48.00 per cwt.
FEEDER PIGS	80.00 per cwt.
FED BEEF	90.00 per cwt.

(1980 ESTIMATES)